



Seminar Series 2024

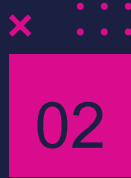


TABLE OF CONTENTS



01

**Introduction
and WBD
Overview**



02

504 Basics



03

**Case Studies
and New
Program
Features**



04

**WBD Lender
Services and
outreach**



History

- Founded in 1981 as Wisconsin Business Development Finance Corporation (Now just WBD, Inc)
- Mission Driven, Non-Profit, SBA Authorized Certified Development Company
- Consistently among top 10 (of about 200) CDCs in the USA

#10 in US in FY 2023





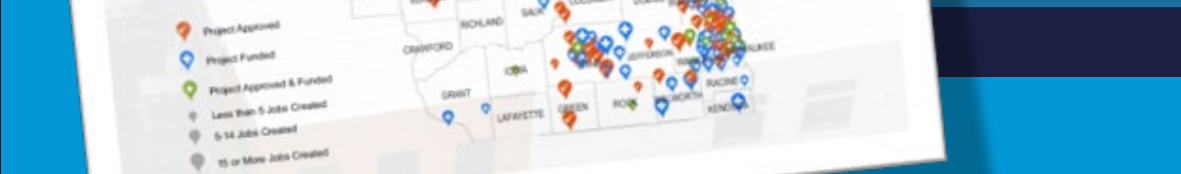
Looking at the Big Picture

Despite challenging market conditions including rising interest rates and continued talk of recession, WBD's Fiscal Year 2023 SBA 504 Approvals were still at the 5th highest level in company history.

173 Approvals for \$165,981,000



A diagram showing a 3x3 grid of dots. A wavy arrow points downwards from the center dot to a solid black square.





**WBD's 504 Portfolio
Balance at the End of
Fiscal Year (millions)**

**Cumulative Jobs
Created and Retained
by WBD Business
Borrowers**

*WBD has added
\$620 Million
of New 504 loan
to our portfolio in
the past 3 years*

**2023
\$1.002
billion**

2019
\$715

2020
\$790

2021
\$843

2022
\$954

2023
76,549

2020
69,334

2021
72,062

2022
75,080

*Our success has helped us continue
to support the creation of new jobs.*

**Our FY 23 Approvals are slated
to create 1,469 jobs, bringing
our 42 year total to 76,549.**

CUSTOMER SPOTLIGHT:



**Penterman Farms
Thorp, WI**

After emigrating from the Netherlands, Marieke Penterman, owner of Penterman Farms, put her passion for dairy farming to work by opening a 350 cow farm while putting together plans for her own business. Her national award-winning cheeses sell swiftly inside her brand new state-of-the-art facility, as well as providing an open and educational environment for her customers. Marieke's dream has come true - to have a location to share her passion for modern family farming.

*To learn more about Penterman Farms,
[click here](#)*

Taking a Wide View of Mission Support

Our success has also driven our ability to commit more resources to serving our mission. We do this by supporting mission aligned non-profit organizations across the areas we serve. In the past 3 years WBD has granted nearly \$1 million to organizations in Wisconsin and Minnesota

CUSTOMER SPOTLIGHT:

Veloci Performance Products Burnsville, MN

Veloci Performance Products is a nationally recognized distributor and manufacturer of pressure washing equipment. Owners Aaron and Alex Lindholm took over Veloci in 2017, which has been in operation since 2005. In their 48,000 square-foot warehouse, you'll find customized production machinery and a skilled team of employees. The Lindholms continue to expand their business while putting in measures for future growth.

[To learn more about Veloci Performance Products, click here](#)



Entrepreneur Fund
Empowering your ability to grow
Helping grow an investor network to support a local business accelerator program in Duluth, MN

FAMILY FRIENDLY WORKPLACES
Bringing businesses together to support community needs in building family friendly workplaces

Red Letter Grant
Expanding an effort to support women entrepreneurs getting started in business

new north
Supporting a shark tank like regional pitch contest and an effort to recruit veterans to Wisconsin after they finish their service

Salute the Troops
Underwriting a veteran owned business accelerator program.

PROGRESS LAKESHORE
Partnering to explore a rural business incubator

Latino Academy
of Professional Development, LLC
Helping people gain Commercial Drivers Licenses and place them in new jobs.

WISCONSIN VETERANS CHAMBER OF COMMERCE
Continuing efforts to support the Chambers program to educate businesses on how to be good veteran employers and help them connect to the pipeline of veterans reentering the workforce

kiva
Supporting the growth of KIVA lending in SE Wisconsin.

WISCONSIN RURAL PARTNERS
Helping connect rural communities around economic development issues

mke tech
Funding a 10 week program aimed at helping start and grow tech jobs in the Milwaukee area

WEDA
Wisconsin Economic Development Association
Helping train the economic development leaders of tomorrow across WI

Find out more about how to become a mission partner with WBD

**2023
WBD
Grantees**

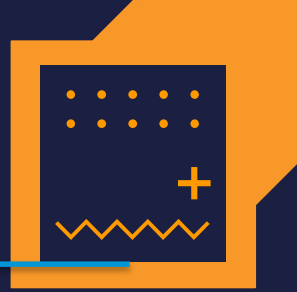


504 OVERVIEW

Basics, Eligibility, Structure, Rates, Closing

504 Overview

Economic development loan program, **jointly provided by lenders and Certified Development Companies (WBD)**, offering eligible borrowers:

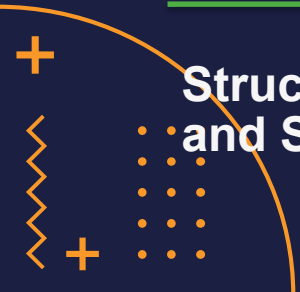


Uses	Fixed asset financing- equipment and owner-occupied real estate- AND debt refinancing
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Lower Down Payment	Low down-payment -as low as 10%
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Fixed rates	Long-term, below-market, fixed rates - fixed for 10, 20 or 25 years
--------------------	---

Structure and Size	Fully amortizing loans, no balloon payments 504 loans up to \$5.0MM/\$5.5MM Project size greater than ~ \$500,000
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Standard 504 Debenture Maximum

- \$5.0MM or 40% of the project total (whichever is less)

Manufacturer 504 Debenture Maximum

- (NAICS codes beginning with 31, 32 and 33)
- \$5.5MM or 40% maximum PER PROJECT
- No aggregate maximum for manufacturers

Green Energy 504 Debenture Maximum

- \$5.5MM or 40% maximum PER PROJECT
- **NEW:** There is no longer an aggregate maximum

Eligibility criteria:

- Reduction in existing energy consumption by at least 10%
- Project facility will generate at least 15% of its energy from renewable sources.

504 Loan Caps

Most
Businesses
are limited
to \$5
million of
total SBA
exposure

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Most Business are Eligible!

For Profit



New or
Existing
Business



Meet Size
Standard



Ineligible
Business Types



Tangible Net Worth
< \$20 MM

and

2-year avg Net Income
< \$6.5 MM

Non-Profits,
Investment
Properties,
Gambling...



Eligible Uses of Funds

- ✓ Owner Occupied Commercial Real Estate
- ✓ Equipment (including shipping and installation costs)
- ✓ Project Related Eligible Soft Costs
- ✓ Professional Fees, Appraisal and Environmental Reports
- ✓ Interim Interest
- ✓ Third Party Lender Fees (must be labeled “interim” lender or loan fee)
- ✓ Refinance w/ Expansion – Up to 100% of expansion costs
- ✓ Permanent Refinance Program

Ineligible 504 Project Costs

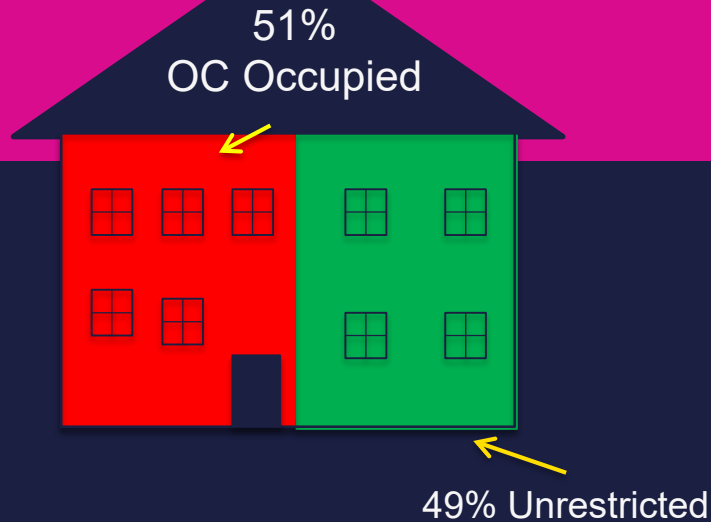
(but 7(a) eligible)

Working
Capital;
Inventory;
Other Current
Assets,
Goodwill,
Other
Intangible
Assets

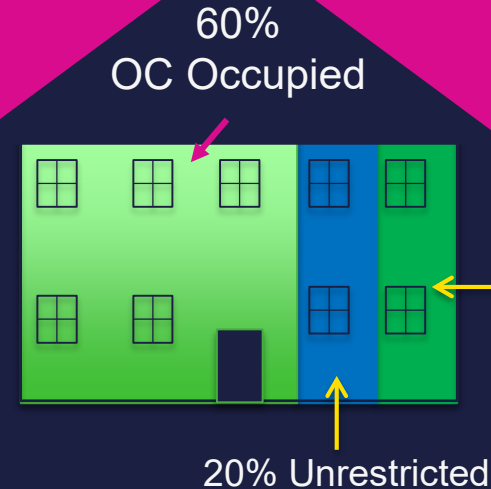


Eligibility Occupancy Rules

Existing Real Estate



New Construction



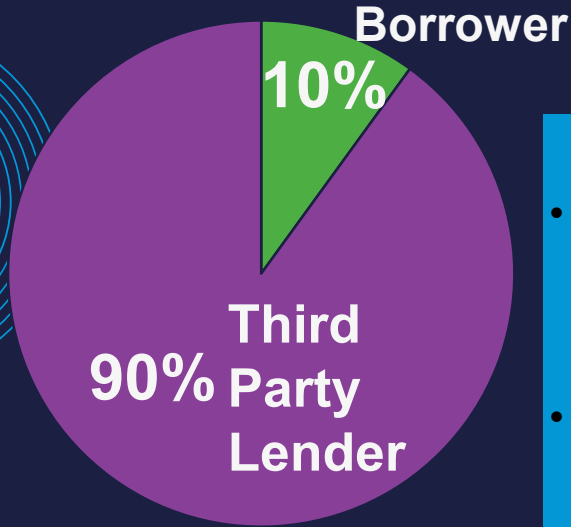
Borrower must begin occupying this space in Year 3 and occupy it by Year 10

20% Short Term Lease



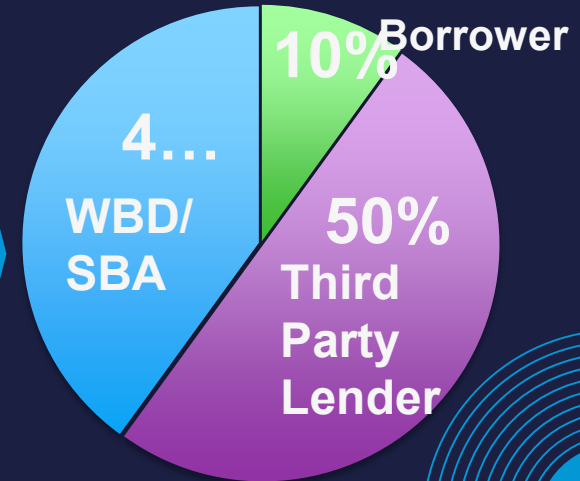
Typical 504 Structure

Interim Financing



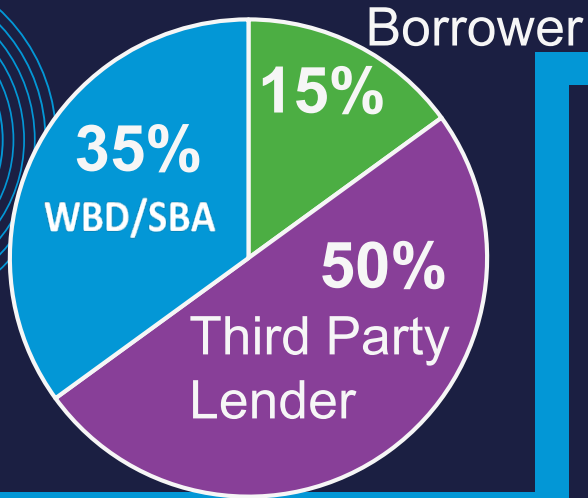
- Third Party Lender's portion is a conventional loan
- Additional collateral may be taken for Interim Financing
- 504 portion has 100% SBA guaranty

Permanent Financing: 50-40-10



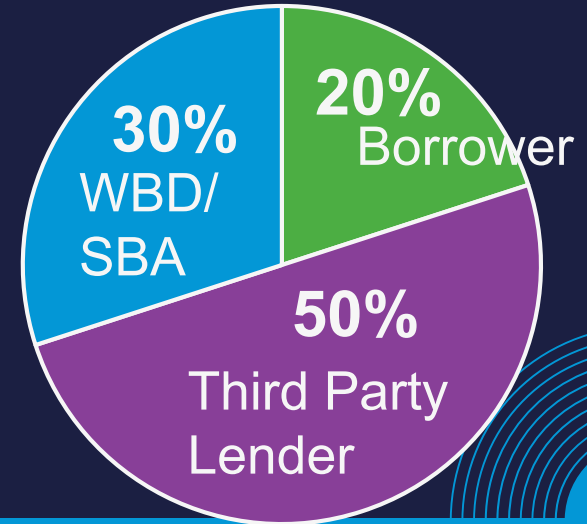
'Special' 504 Structures

**Start-up or
Special Purpose
50-35-15**








Third Party
Lender must be
at 50%
participation in
both scenarios

**Start-up AND
Special Purpose R/E
50-30-20**



Flexible Sources of Borrower Contribution

- Owner's **Personal Cash** 

- **Cash from Business Operations** 
 - Interim interest
 - Down payments related to eligible project costs
- **Seller Notes, Revolving Loan Funds, Municipal Loans, or TIFs**
 - **Borrowed funds** (e.g., Seller Note)
 - If secured by project assets – term must match 504 debenture
 - If unsecured or secured by other assets – no minimum term or % of project requirement
 - No requirements like the 7(a) program
 - **Municipal loans** - with favorable terms SBA may grant an exception to same term rule
- **Equity in Real Estate** 
 - “As Is” appraised value, less existing debt, if owned at least 2 years 

Long Term Financing Commitment

20 or 25 Year Debenture (Real Estate, Mixed Use, Some Equipment*)

- Third Party Lender's loan must have at least a 10-year maturity
- Mixed-use projects (R/E & Equipment) if real estate is largest component
- *Equipment if useful life is documented to be 20 or 25 years

10-Year Debenture (Equipment)

- Third Party Lender's loan must have at least a 7-year maturity

^ Amortization of Third-Party Lender loan

- Amortization does **not** have to match the Debenture term

The SBA 504 Refi Program

Yes, the 504 can do refinancing too!



What can be Refinanced?

Time in Business	Business must have been operating for at least two years
Qualified Debt <i>All Refi loans must include Qualified Debt!</i>	<ul style="list-style-type: none">✓ Loan(s) was incurred at least 6 months prior to application date✓ No modifications within the past 6 months✓ At least 75% of original use of proceeds being refinanced was used to acquire a 504 eligible asset which will secure the proposed 504 refinance project
Government Guaranteed Debt	SBA 7(a), 504, FSA and USDA B&I loans are refinance eligible subject to certain requirements, including a 10% cash flow savings
Other Items	<ul style="list-style-type: none">• Copy of note(s) being refinanced, and corresponding collateral documents must be provided• SBA still requires a loan history / transcript of account for the prior 12 months – Payment currency is now a credit decision vs. an eligibility determination

Debt Refi – Current LTV Requirements

Straight Refinance of Qualified Debt

- 90% LTV
- Based on a current appraisal

All Structures based on Appraised Value

Refinance of Qualified Debt with Cash Out

- 85% LTV (to 90%)
- Based on current appraisal
- Cash out amount cannot exceed 20% of the appraised value (to be removed)

NEW Effective August 1, 2023 WBD/SBA can waive liens on FF&E originally financed as part of the refinance project, if real estate appraisal provides adequate value



Debt Refi – Cash Out for Business Expenses

Eligible Business Expenses = operating expenses of an eligible OC

- **Payoff/pay down an operating LOC** –Must certify funds were not used for capital expenditures
- **Expenses** such as salaries, rent, utilities, inventory, etc. credit card debt in business name
- **Expenses incurred but not paid** prior to the date of SBA application
- **Expenses that will come due** within 18 months of application date



Ineligible:

Partner buyout, business acquisition

Paying off existing loans, expand building footprint, purchase additional fixed assets, "upkeep and maintenance" expenses, such as new roof, repaving parking lot, flooring, redecorating, etc

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:: Pending
REFI
Changes

(we hope)

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- Cash out no longer limited to 20% of appraised value
- Loan to value percentage on cash out projects raised to 90% (from 85%)
- Return of “other qualified debt”, which will allow equipment term, loans, etc. to be included in a 504 refinance project
- Definition of ‘substantially all’ decreased to 75% for refinance with expansion program



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SBA 504 Loan Approval Process

Lender
Approval

WBD
Approval

- Loan Amount & WBD's internal credit scoring determines approval process:
- **Daily Management Approval Process**
- **Weekly Loan Committee Approval Process**

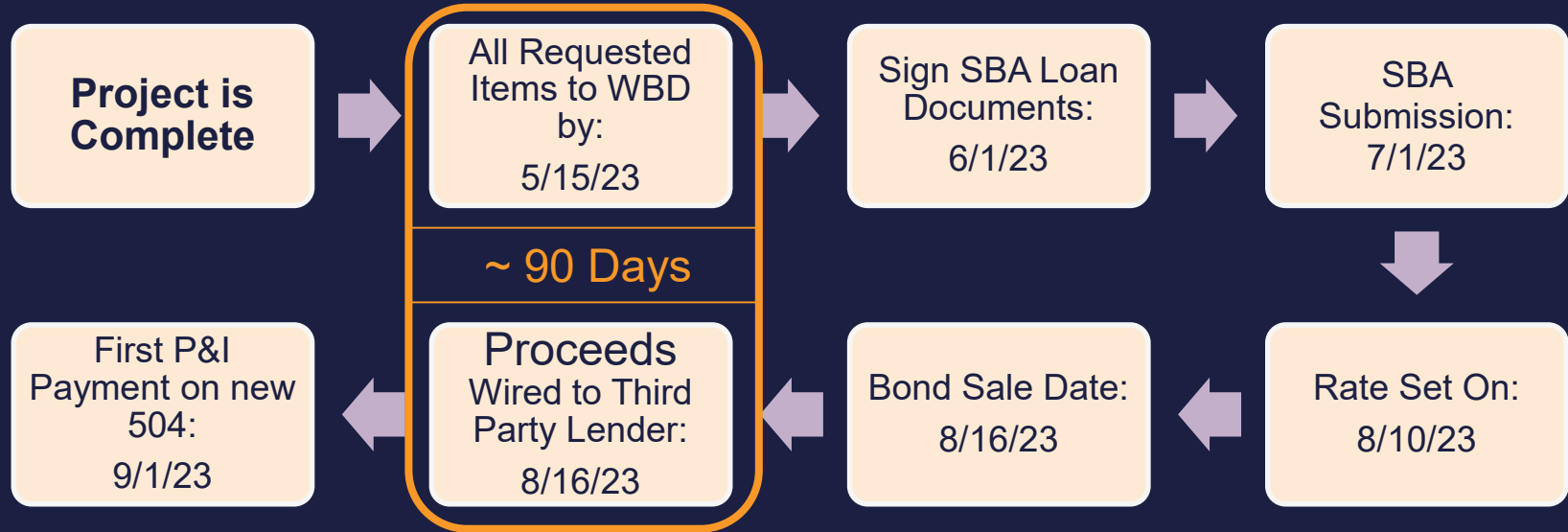
- Application Submitted via ETran
- SBA turnaround time normally ~5 business days or less
- Can receive approval **subject to** a clean environmental report & acceptable appraisal (w/ the exception of 504 REFI).

SBA
Authorization

~ 4 Weeks from **complete** application

WBD.

504 Funding Timeline



✓ Construction Project:

- ✓ Construction is complete and final draw has been disbursed
- ✓ Certificate of Substantial Completion is signed off on by the General Contractor
- ✓ Clean Occupancy Permit (if applicable) has been issued by municipality

When is a Project Complete?

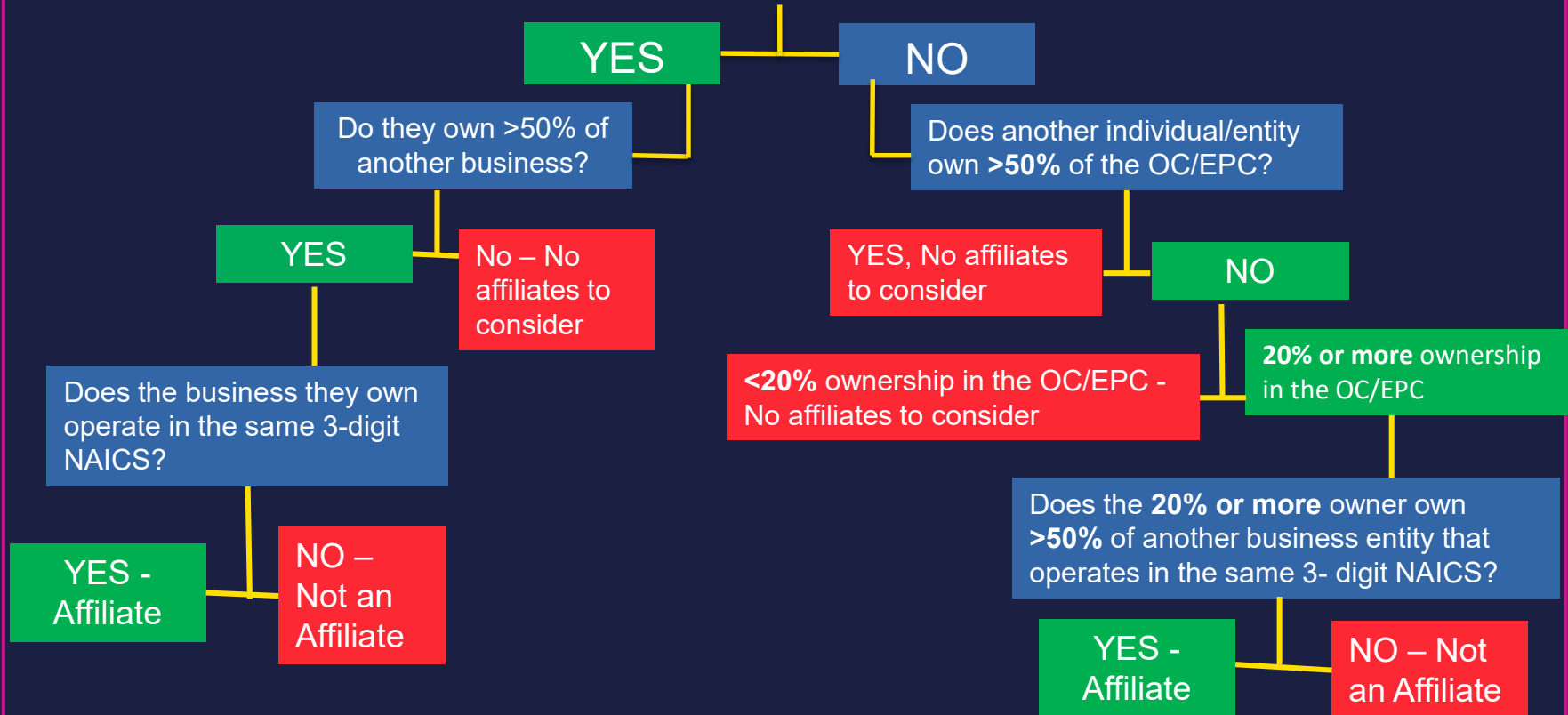
Straight Real Estate Purchase / Refinance:

- ✓ Third Party Lender closes on the purchase or refinance

Affiliation Redefined: For individuals owning the OC or EPC

Does the individual own >50% of the OC/EPC (applicant)?

*Ownership Interests of Spouse & Minor Children must be combined when determining percentage of ownership



Same as it ever was...



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So, you
have an
Affiliate. N
ow What? ×
×

- Collect 2 years tax returns & debt schedule
- Existing SBA loans to affiliates (not EIDL or PPP) count against available 504 cap
- There may be non-affiliates that impact secondary & personal repayment and therefore require financial information & underwriting (e.g. a Spouse's business that could impact personal financial strength)



Other 504 Program Changes

The new Redwood score is a predictive indicator of the likelihood of default on a loan in the next 12 months

Redwood Scoring

Life Insurance

Can waive life insurance for individual if there is a collateral short fall but there is a written, viable succession plan

Criminal Justice Reviews

Can now consider an SBA loan to an associates that is on probation or parole

New 504 Borrower Portal

MySBA Portal now links to SBA 504 loans so borrowers can see all loans tied to their SSN# on their MYSBA dashboard.

WBD does not have access to this portal, but has been informing customers.

More 504 Program Highlights

504 can finance partial changes in ownership

Partial Ownership

ESOP Financing

Can provide financing to ESOPs - with no personal guarantee required

Business Size Standards

Size Standards were recently increased

SBA Processing Time

The SBA has been processing loans in just a couple of days!





504 Borrower Benefits



Less Money Down



Long Terms

Affordable, FIXED rates

Limited Collateral



Plus:

- Loans Potentially Assumable
- Refinance 504 loans into new projects
- Known declining prepayment penalty vs. interest rate swap



504 Lender Benefits

- Very comfortable 50% LTV
- Reduced Bank Examiner Scrutiny
- Sell structure vs. rate / spread
- CRA Credit

Credit Enhancement


- Preserve ability to help in future
- Great structure makes happy clients and referral
- Long term commitments keep customers secure
- Some Flexibility if appraisal comes in short

Building Relationships

Good Business

- Help with asset/liability management
- Can help the bank maintain solid spread on the front-end loan

WBD Handles the SBA Stuff

- Bank loan - No SBA loan servicing fees
 - No monthly SBA loan reporting on its permanent loan
- 



Competitive
Long Term
Fixed Rates!



Current Effective 504 Fixed Interest Rates:

25 Year – 6.354% June 2024

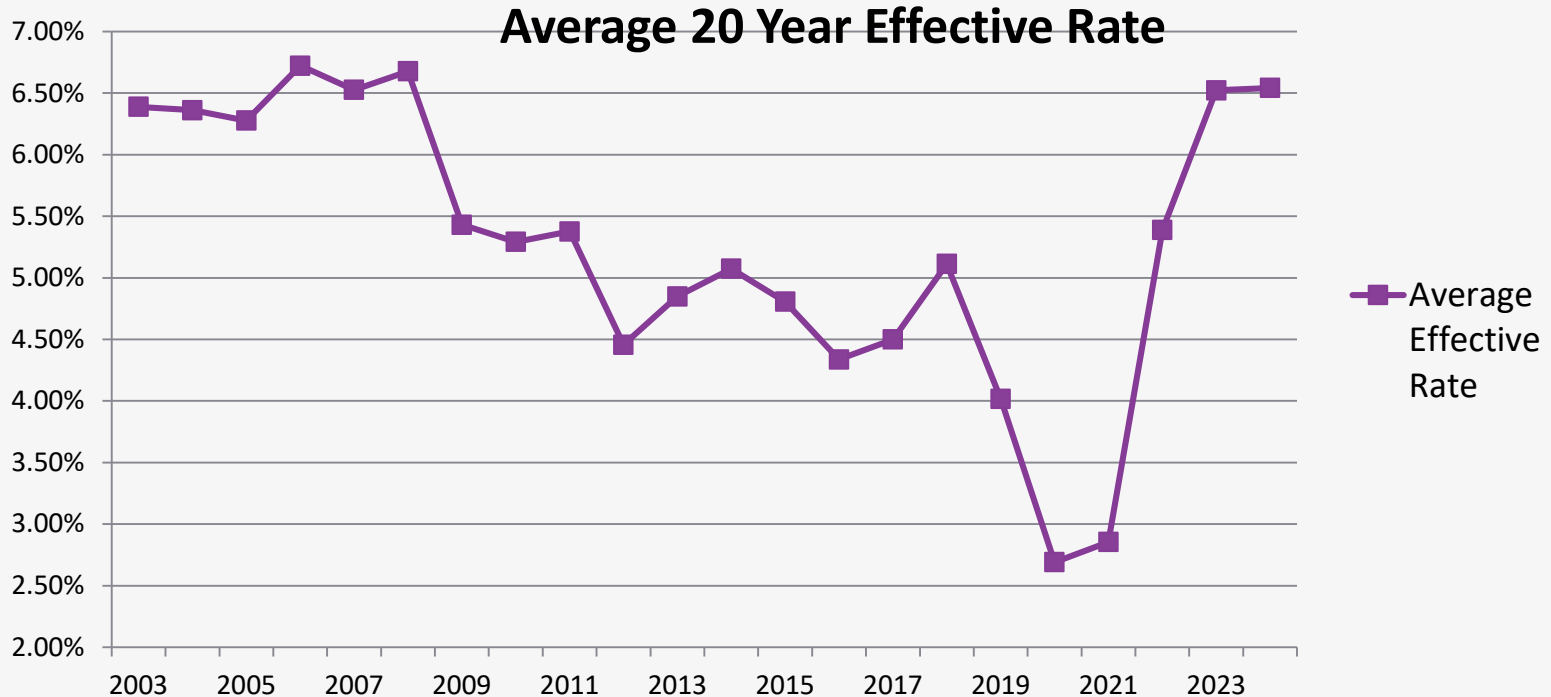
20 Year – 6.445% June 2024

10 Year – 6.908% May 2024*

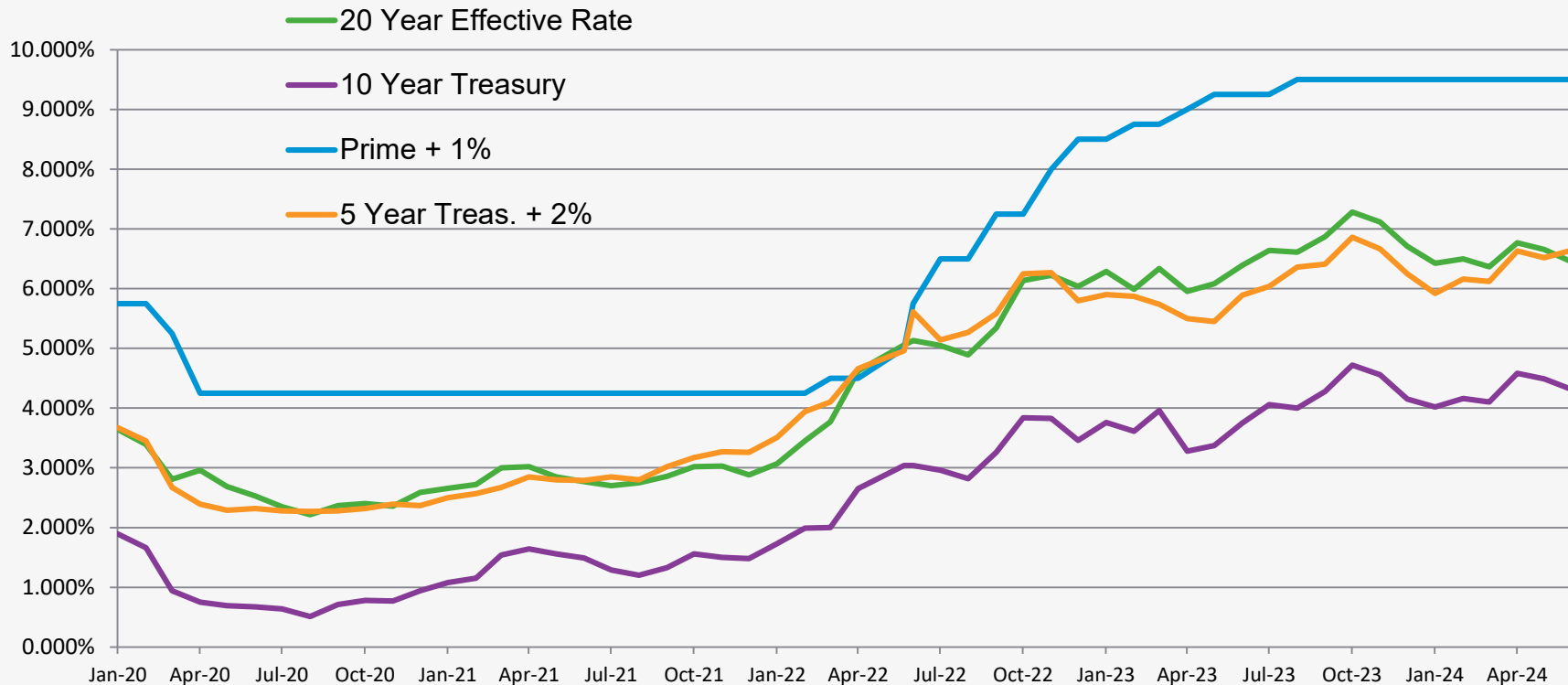
*10-year debentures are sold every 2 months



Rate History – 20 Year Fixed Rate



Rate Comparison – Last 4 Years





Background: Squab Manufacturing LLC

- A fledgling (2 years old) manufacturer of pigeon racing related products
- Purchasing an existing manufacturing building in Marion, WI

Squab's financing requirements:

- Minimize cash outlay (preserve working capital)
- Below market fixed rate for 25 years
- Cash flow friendly structure that provides their lender with peace of mind

Preliminary Borrower Financing Request:

- Purchase building -\$1,000,000



Operating expenses \$10,000



Case Study: Simple Real Estate Purchase



Project Considerations

10% equity

- Company has been operating for 2 years
- Building is not special purpose

25-year Debenture

- The appraisal (which was < 1 year old and listed Lender and WBD/SBA as intended users) stated the property had a 30-year remaining economic life.



504 Uses of Funds:		504 Sources of Funds:		
Building Purchase	\$1,000,000	Bank Financing	\$505,000	50%
Third Party Lender Fee	\$2,525	WBD/SBA 504	\$404,000	40%
Soft Costs	\$7,475	Borrower Contribution	\$101,000	10%
Total	\$1,010,000	Total	\$1,010,000	100%



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⋮
Case Study:
Large
Real Estate
Purchase



Background: Old Bird Manufacturing LLC



- An aged manufacturer of pigeon racing related products
- Purchasing an existing manufacturing building in Marion, WI

Old Bird's financing requirements:

- Minimize cash outlay (preserve working capital)
- Below market fixed rate for 25 years
- Cash flow friendly structure that provides their lender with peace of mind

Preliminary Borrower Financing Request:

- Purchase building - \$20,000,000
- Closing costs - \$75,000



Project Considerations

10% equity

- Company has been operating for more than 2 years
- Building is not special purpose

25-year Debenture

- Appraisal stated the property had a 30-year remaining life

Maximum debenture size of \$5.5MM (manufacturer) -
- Based on the Gross Debenture amount which is the Net Debenture amount of \$5.375MM plus up-front fees of ~ \$125K

504 Uses of Funds:			504 Sources of Funds:		
Building Purchase	\$20,000,000		Bank Financing	\$12,692,500	63.2%
Third Party Lender Fee	\$63,463		WBD/SBA 504	\$5,375,000	26.8%
Soft Costs	\$11,537		Borrower Contribution	\$2,007,500	10%
Total	\$20,075,000		Total	\$20,075,000	100%



Background:

- Growing Manufacturer
- Purchasing and installing a production line to increase efficiencies and expand customer base

Preliminary Borrower Financing Request:

- Purchase new equipment - \$2,500,000
- Installation and shipping costs - \$273,050



Case Study: Equipment Purchase



Project Considerations:

10% equity

- Equipment projects are never special purpose
- Company has been operating for more than 2 years

20-year Debenture

- Equipment manufacturer provided a letter indicating equipment had a useful life of 20 years

504 Uses of Funds:		504 Sources of Funds:		
Equipment Purchase	\$2,500,000	Bank Financing	\$1,390,000	50%
Installation and Shipping Costs	\$273,050	WBD/SBA 504	\$1,112,000	40%
Third Party Lender Fee	\$6,950	Borrower Contribution	\$278,000	10%
Total	\$2,780,000	Total	\$2,780,000	100%

Case Study – 20-year Equipment

Structure:

- Third Party Lender - 10-year note*, **10-year amortization**
 - ***Minimum term with a 20-year debenture**
 - WBD/SBA - 20-year debenture
 - Full term financing (no balloon notes)

**Year one cash
flow savings
~ \$550,000!**

Considerable savings vs. conventional financing:

- Conventional financing equity: 15%-20% of *purchase price* (more for specialized equip)
- Installation and Shipping Costs: funded with company cash or line of credit draw – **ugh!**
- 20% down + installation and shipping cost = \$750K vs. \$272K; **\$478K up-front savings**
- Conventional financing amortization: 5-7 years
- **\$72,000 annual payment savings** vs. 7-year conventional financing



Case Study: Refinancing 7(a) Debt



Growing manufacturer financed their building via SBA 7(a) with an adjustable rate when the WSJ Prime rate was 3.25%.

As Prime rose in 2022 and 2023, their monthly payment jumped significantly. With supply chain issues behind them and demand for product strong, management was hoping to purchase the inventory and packaging materials to grow the business.





Considerations/Questions:

1. SBA 7(a) loan balance was ~ \$4.44MM and the requested “cash out” was ~ \$500K.
2. Would the SBA 7(a) loan meet the 504 REFI eligibility requirements re: original use of proceeds and improved debt service?
3. Would the current appraised value allow for the “cash out for eligible business expenses” that was requested?

504 Uses of Funds:		504 Sources of Funds:		
Refinance Existing SBA 7a loan	\$4,437,000	Bank Financing	\$2,575,000	43.06%
Cash Out for Eligible Expenses	\$510,000			
(aka working capital)		WBD/SBA 504	\$2,392,000	40.00%
Soft Costs *	\$20,000			
Existing Real Estate Equity **	\$1,013,000	Borrower Contribution **	\$1,013,000	16.94%
Total (Appraised Value)	\$5,980,000	Total	\$5,980,000	100.00%



Results



1. Despite over \$500,000 of additional debt, the company's monthly **debt service** saw little change.

2. The company was able to accommodate demand with the **additional working capital** financing.

3. Over \$2.3MM of debt was locked in for 25 years in the 6s!



Case Study: Business Acquisition

- 4th generation owners of a full-service car dealership looking to acquire another full-service car dealership in the same market
- Acquisition would allow them to expand into a new vehicle brand with upside
- Structured as an Asset Purchase – Buyer & Seller agreed to a price and an initial allocation. Appraisals determine Final allocation.
- WBD contacted early in process.

Preliminary Borrower Financing Request:

- Purchase Price of Dealership - \$6,800,001
- New & Used Car Inventory – To be determined prior to closing
- Parts Inventory – To be determined prior to closing



Business Acquisition - Project Considerations

Buyer created a new real estate holding entity and operating entity for the dealership acquisition. Corporate guarantee of their existing dealership was taken.

Appraisal on the Real Estate came in at \$3,800,000; Appraisal on the F&E came in at \$140,000. Purchase Price, excluding vehicle & parts inventory, was allocated as follows:

- Real Estate - \$3,800,000
- F&E - \$140,000
- Franchise Rights / Goodwill - \$2,860,001

504 Structure financed the real estate – Considerations:

- Experienced buyers buying a going concern business and not considered special purpose (no in-ground pits or car wash on-site), only 10% down.
- Structured with a 25 Year Debenture



Business Acquisition - More Project Considerations

Third Party Lender did a separate 7(a) loan to finance the F&E, Franchise Rights / Goodwill, & Misc. Assets.

- This note was secured with a GBSA on the F&E and a mortgage on their existing dealership (was owned free & clear and is considered a non-504 asset).

Vehicle inventory financed by the new Floorplan line with the car manufacturer

Borrower brought in additional cash for the parts inventory and initial working capital



Real Estate Acquisition – 504 Structure



504 Use of Funds:		504 Source of Funds:		
Land & Building	\$ 3,800,000.00	Third Party Lender	\$ 1,910,000.00	50.0%
Soft Costs	\$ 20,000.00	SBA 504 Debenture	\$ 1,528,000.00	40.0%
		Borrower Contribution	\$ 382,000.00	10.0%
Total	\$ 3,820,000.00		\$ 3,820,000.00	100.0%





Business Acquisition – Overall Structure



Use of Fund	Bank Front-End Loan	504 Loan	504 Borrower Contribution	TPL 7(a) Loan	7(a) Borrower Contribution	Additional Borrower Contribution	Floor Plan Financing	Total
Land & Building	\$1,910,000	\$1,508,000	\$382,000					\$4,182,000
FF&E				\$140,000				\$140,000
Soft Costs - 504 Structure		\$20,000						\$20,000
Franchise Rights / Parts Inventory / Blue-Sky				\$2,560,000	\$300,000			\$2,860,000
Soft Costs - 7(a) Structure					\$5,163			\$5,163
Guarantee fee					\$73,438			\$73,438
Vehicle Inventory							\$2,000,000	\$2,000,000
Miscellaneous Assets						\$1		\$1
Initial Working Capital						\$250,000		\$250,000
Total	\$1,910,000	\$1,528,000	\$382,000	\$2,700,000	\$378,600	\$250,001	\$2,000,000	\$9,530,601

✕

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Total Appraised Value -
\$3.5MM

- As is Real Estate Appraisal
\$2.5MM
(71.43% of total)
- As Complete Real Estate
Appraisal \$2.6MM
- Equipment Appraisal
\$1MM
(28.57% of total)

+

Appraisals
are Key

x x



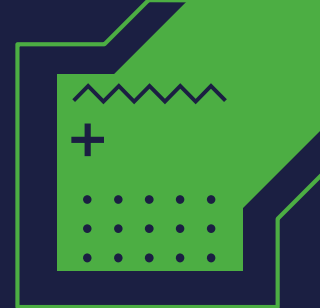
Existing Debt is \$2.5MM, resulting in total equity of \$1MM:

504 Can Finance Seller Equity plus, existing debt

- Seller's Equity share: $\$1\text{MM} \times 40\% = \400K
- Buyer's Equity share: $\$1\text{MM} \times 60\% = \600K

504 Uses of Funds			504 Sources of Funds		
Existing Debt	\$2,500,000		Lender	\$1,800,000	49.9%
Sellers Equity (40%)	\$400,000		WBD/SBA	\$1,200,000	33.2%
Buyers Equity (60%)	\$600,000		Borrower Contribution	\$600,000	16.6%
Improvements	\$100,000		Borrower Cash	\$10,000	0.3%
Soft Costs	\$10,000				
TOTAL	\$3,610,000		TOTAL	\$3,610,000	

Due to the limitations of the Standard SBA Approved Terms & Conditions, it looks a little different:



504 Uses of Funds:		504 Sources of Funds:		
Real Estate	\$ 2,500,000.00	Lender	\$ 1,800,000.00	49.86%
Equipment	\$ 1,000,000.00	WBD/SBA	\$ 1,200,000.00	33.24%
Improvements	\$ 100,000.00	Borrower Contribution	\$ 610,000.00	16.90%
Soft Costs	\$ 10,000.00			
Total	\$ 3,610,000.00	Total	\$ 3,610,000.00	100.00%

Don't worry – WBD figures this out!



- **Existing Entities Remain Intact**, with new entities the SBA will deem the project ineligible.

- A 504 project cannot include payments, distributions, or loans to Associates of the applicant

+

- **Settlement & Redemption Agreements were executed by both parties**

- **Project is limited to the lower of cost or appraisal** (typically appraisal drives the agreement & allocation)

- The **maximum financing is limited to:**

- **Existing Debt + Seller Equity**

- In this case, we were also able to include \$100K of improvements but needed to complete the eligible buy-out or our structure first

Partial Change in Ownership: Key Points





Case Study: ESOP Financing



While there are numerous benefits to this ownership structure, financing can be a bit tricky because **loans to ESOPs are most often non-recourse**, meaning the lender can't pursue anything other than the collateral for repayment of debt.





Consider a manufacturer looking at a \$2,000,000 real estate purchase.

Under conventional financing, the lender may seek a 30% down payment to mitigate their collateral risk.

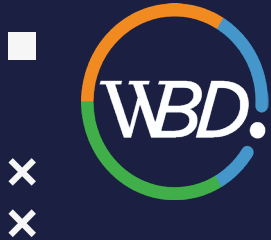
This would require the company to inject \$600,000 of business cash into the transaction,

leaving the lender with a 70% loan-to-value ratio on the property

Conventional Approach

- More Risk
- Large Down Payment for Borrower

504 Uses of Funds		504 Sources of Funds		
Purchase of Real Estate	\$2,000,000	Lender	\$1,400,000	70.0%
		Borrower Contribution	\$600,000	30.0%
TOTAL	\$2,000,000	TOTAL	\$2,000,000	



504 Approach

- Less Risk
- Significant Borrower Savings

Same scenario with a 504 loan structure.

In this case, the borrower would only need to inject 10% into the project, saving the remaining \$400,000 for the continued growth of the company.

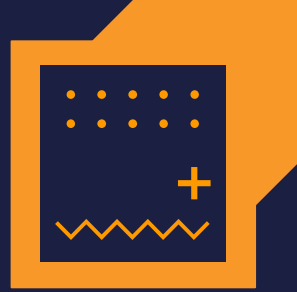
Additionally, the lender would end up with a collateral position of 50% loan-to-value.

504 Uses of Funds		504 Sources of Funds		
Purchase of Real Estate	\$2,000,000	Lender	\$1,000,000	50.0%
		WBD/SBA 504	\$800,000	40.0%
		Borrower Contribution	\$200,000	10.0%
TOTAL	\$2,000,000	TOTAL	\$2,000,000	



Lender Services

SBA 7(a) help if you need it!



■
:: Meet over
120 years of
SBA
experience!



Becky Schneider – 25 years+ of SBA 7(a) experience working with an SBA Preferred Lender bank and as a Lender Service Provider.

(920) 966-1483 | bschneider@wbd.org



Jill Faber – 16+ years of SBA 7(a) experience working with SBA Preferred Lender banks and as a Lender Service Provider.

(715) 598-6049 | jfaber@wbd.org



Vicki Stone – 20+ years of SBA experience in both the 504 and 7(a) program process. (920) 966-1494

| vstone@wbd.org



Wenda Roycraft – 35+ years of experience in SBA loan program lending, operations, and process.

(920) 966-1478 | wroycraft@wbd.org



Jason Monnett – 25 years of experience in SBA lending and training





With a full range of SBA 7(a) services:

- Questions and support
- 7(a) packaging
- Other SBA program support
 - File audits
 - Reporting guidance
 - Review of lender SBA policies
 - Purchase packages
 - And more

From one off questions to ongoing support relationships, let us know how we can help!



Let WBD help
you build a
successful SBA
lending program



Co-Brand with WBD and stay current

Check out the SBA 504 loan!

Because Smart Business is Knowing Your Options

Affordable

- Long-Term Fixed-Rate (10, 20 or 25 Years)

Commercial Financing

- Owner-Occupied Real Estate
- Large Equipment

with Less down!

- Most Projects Only 10%!

How it Works

The 504 loan works in partnership with Lake Ridge Bank to reduce your costs and their risk.

Lake Ridge Bank (50%)

WBD (40%)

Your Business (10%)

Affordable long-term (up to 25 years) fixed rates!

Low down payment - typically only ten percent!

Key Points

- Works with Lake Ridge Bank.
- For profit businesses only. Most businesses qualify.
- Can be used for:
 - Owner-occupied commercial real estate.
 - Purchase Existing Building - Must Occupy 51%
 - Ground Up Construction - Must Occupy 60%
 - Large Equipment with long useful life (10yrs+)
 - Term to match useful life up to 25 years
 - Can finance installation and soft costs
- Program niche is for projects between \$250,000 and \$20 Million.
- We sell our SBA-backed 504 adventures on the Bond Market. The result is good, long-term, fixed rates for you!



We Still have an active and growing outreach program including:

- Social Media
- Ads with Chambers of Commerce
- And more



Smart Financing is Knowing Your Options:

See how WBD can make the SBA 504 loan work for you



Darren Parker - VP, Commercial Lending
(715) 847-4019, darren.parker@bankpeoples.com

How it Works

The 504 loan works in partnership with Peoples State Bank to reduce your costs and their risk.

Peoples State Bank (50%)

Key Points

- Most projects



Darren Parker - VP, Commercial Lending
(715) 847-4019, darren.parker@bankpeoples.com

Turn the page to see how you can use the SBA 504 Loan Program to accomplish your goals...

Our message:

"Ask your lender to show you the 504 option!"

Contact Darren Paul - dpaul@wbd.org



Partner with WBD on TEN 504 loans and become a WBD Elite lender!

Michael Collins, Andrew Boario, Matt Wilcox, Lon Rupnow, William Kadrich, Chadd Frank, Connie Suemnicht, David Mills, Denise Hegland, Dennis Haefer, Edward Kinney, Glenn Michaelsen, Kevin Blinsmon, Luke Hagel, Mark Maurer, Marvin Schmit, Paul Schaller, Sarah Nepgezek, Steve Faulhaber, Tim Schneider, Steve Peterson, Vince Hartmann, John Schmitz, Lawrence Schwenn, Eric Glewen, Brent Walbrun, Jeremy Price, Thomas Stapleton, Tom Van Pelt, James Bodendorfer, Joye Bedard, Jed Keller, John Huber, Steven Dill, Joe Pieper, Dustin Hundt, Steven Holz, Andrew Melvin, Ryan Lilly, Michael Lindert, Darren Parker, Kurt Rheingans, Phil Whitehead, Mary Chandler, Adam Lange, Lynn Sigfred, Richard Jacob, Laura Peterson, Matt Gibbs, Dave Goodno, Joseph Nelson, Eric Hesselink, Jon Willems, Thomas Brickley, Brent Benjamin, Craig Philipp, Eric DeJardine, Seth Wage

Thank You!



A Big Thank You to Our Current Hall of Fame members!



Do twenty 504
loans with WBD
and become a
Hall of Famer!

David Mills
Glenn Michaelson
Luke Hagel
Steve Peterson
William Kadrich
Chadd Frank
Darren Parker





NEW for 2024 Elite Lender Golf Event!

Elite Lenders and Hall of Famers are invited to join
WBD Loan Officers and Leadership for:

A Round of Golf at Lawsonia
with
Overnight accommodations at the Heidel House.

More information soon from your loan officer!



THE GOLF COURSES OF

LAWSONIA



Heidel House
Hotel & Conference Center



If any or all of this sounds confusing –
don't worry!

Just reach out to your loan officer – they
speak SBA, so you don't have to!